

Department of Public Health  
and Human Services

Section:  
CASE MANAGEMENT

TANF CASH ASSISTANCE

Subject:  
Intentional Program Violation/Fraud

**Supersedes:** TANF 1505-1 (01/01/03)

**≥References:** ARM 37.78.102, .430, and .505

**GENERAL RULE**– An applicant/participant is in violation of program rules if he/she makes false or misleading statements, conceals information, or withholds facts for the purpose of establishing or maintaining eligibility.

An applicant/participant found to have committed an Intentional Program Violation (IPV) by the Administrative Disqualification Hearing (ADH) process or who has signed Form HCS-559, “Waiver of Right to Disqualification Hearing”, will be ineligible for TANF cash assistance (disqualified) for a specified period of time depending on the number of times he/she has been found to have committed an IPV.

When an individual signs the “Application for Assistance” (HCS-250), he/she attests to the truth, accuracy and completeness of the information provided and declares understanding of the penalty for lying or misrepresenting the family’s circumstances. In addition, participants are sent the notice X012 (Change Reporting Requirements) when their case is approved, and at each redetermination. This notice informs the household that all changes must be reported within 10-days of knowledge of the change.

**NOTE:** An out-of-state IPV disqualification from TANF (cash assistance) is not recognized in Montana unless the violation was for misrepresenting residence to receive benefits in two or more states (See TANF 703-1).

As the Eligibility Case Manager processes the application or ongoing benefits (acting on changes, etc.) and discovers the current or reported information to be false or misleading or was not previously revealed, the individual is alleged to have intentionally violated program rules.

Policy areas in which violations most often occur are:

1. Unreported or misrepresented income;
2. Unreported or misrepresented family composition;
3. Unreported property or resources; or

4. Duplicate cases, in which an individual receives benefits from more than one county, or state, at the same time.

≥

**NOTE:** The attempt to receive benefits fraudulently is sufficient to make an IPV referral. The benefits do not have to be actually received to constitute an Intentional Program Violation.

#### ≥REFERRAL FOR INVESTIGATION

When a potential IPV/Fraud is discovered, the case should be referred to Claims and Recovery Unit (CRU) for investigation and processing using the following procedure:

1. The Eligibility Case Manager completes the electronic referral form with a brief explanation of events causing the referral to be made.

**NOTE:** The referral form is a WORD document that should be completed electronically (copy on page 7).

2. The referral form is sent as an e-mail attachment to the Claims and Recovery Unit, who will refer it to the appropriate Program Compliance Investigator (PCI).

**NOTE:** If the participant is willing to sign the “Waiver of Right to Disqualification Hearing” (HCS-559) during an interview (e.g., redetermination, application for another program, etc.), the Eligibility Case Manager should obtain it. However, the OPA should still refer the case to Claims and Recovery with all information for accounting purposes.

3. The investigator will interview the client and gather evidence to determine if an IPV/Fraud exists.
4. The PCI will attempt to secure a signed waiver. If the waiver is not signed, the PCI will complete the ADH packet and represent the Agency in the ADH. The Eligibility Case Manager may be called as a witness.

**NOTE:** The OPA will continue to set up the ADH in their local office. The PCI attends the ADH at the OPA or via conference call.

5. Once the PCI has gathered all the information, and the investigation is completed, the referral form and information will be returned to Claims and Recovery.

6. Claims and Recovery will log in the referral information and forward the referral form and information back to the Eligibility Case Manager.

7. The Eligibility Case Manager will compute the overpayment and establish the claim on TEAMS, and send the appropriate overpayment notices to the participant. The completed referral form should be kept in the case file for future reference.

**NOTE:** If the OPA already has all the information necessary to establish an overpayment claim, the claim should be established prior to the referral.

### DISQUALIFICATION PERIOD

Once a disqualification period is imposed, it continues uninterrupted until completed regardless of the eligibility of the disqualified individual(s). The individual(s) (not the entire assistance unit) shall be disqualified for:

1. Twelve (12) consecutive months for the first violation;
2. Twenty-four (24) consecutive months for the second violation;
3. Permanently for the third violation;
4. Ten (10) consecutive years for misrepresenting residence to obtain benefits in more than one state; or
5. A court ordered (usually for a fraud conviction) period of time.

More than one adult household member may be involved and can subsequently be found to have committed an intentional program violation and disqualified.

It is extremely important to review the PRAP screen and TEAMS case notes to determine if there have been previous Intentional Program Violations prior to determining if the violation is a 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> violation.

More than one violation may be the subject of a single pre-disqualification conference or ADH, but only one disqualification penalty may be assigned. However, a claim must be established on all overpayments (1504-2).

### DISQUALIFICATION IMPOSED

A period of disqualification will be imposed when:

1. The individual has signed Form HCS-559 (Waiver);
2. The hearing officer through the ADH process, has determined that an intentional program violation has been committed; or

3. A court of law has set a period of disqualification; **AND**
4. The individual has been provided written notice that the disqualification penalty is to be imposed; it does not have to be mailed ten (10) days prior to imposition of the penalty.

The Disqualification period begins the first of the month following the month the participant is notified via "Action Taken on Your Waiver/Administrative Disqualification Hearing or By a Court of law". This form is sent by Claims and Recovery to the Eligibility Case Manager via e-mail. The case manager will enter the disqualification in TEAMS and complete their portion of the form. The form is then sent as an e-mail attachment to Claims and Recovery. Claims and Recovery will mail the form to the participant and it serves as the participant's notice of adverse action; **no additional TEAMS notice is required.**

#### TEAMS PROCESSING

To enter the disqualification, go to the SEPA screen to change the individual's Participation Code from 'IN' to 'DQ'. The disqualification reason code would be 'IF' (See TANF 703-1).

The disqualification and reason codes must be entered prior to TEAMS cutoff to ensure the correct start month for the disqualification penalty period.

**NOTE:** If the action occurs after TEAMS issuance (cutoff), adjust the case for the following benefit month, because benefits cannot be changed after they have been issued by TEAMS.

Record the number and length of the disqualification period in Case Notes (TEAMS Screen: CANO). Set a Person ALERT (TEAMS: PRAP screen) noting this information. At this time there is no TEAMS tracking system for TANF cash assistance program violation disqualifications and the documentation in Case Notes and the Person ALERT is required.

Check the overpayment amount (TEAMS screen: OVCA), if any, and begin the repayment process.

#### OVER-PAYMENT PENALTY

If an overpayment of benefits has occurred due to a fraudulent action (either IPV or fraud decision) by a member of the filing unit, **the sum that must be repaid is 100% of the amount of assistance to which the assistance unit was not entitled and an additional 25% penalty.**

Fraudulent action includes but is not limited to the making of an intentionally false statement or misrepresentation and the intentional withholding of information.

**The recovery unit will add the extra 25% penalty to the OVCA screen when the IPV or fraud decision is received.**

**ADH APPEALS**

The determination of an intentional program violation made by the hearing officer cannot be reversed by a subsequent Fair Hearing decision. In order to appeal the decision, the individual must go through the Board of Public Assistance Appeals.

**≥PROGRAM  
INTEGRITY  
CONTACT  
PHONE  
NUMBERS**

When recipients or former recipients have questions regarding repayments, dunning letters or other overissuance situations, they should call **444-2978**.

When recipients or former recipients have questions regarding Tax Offset Payments for overissuances, they should call **1-888-241-8657 or 444-4176**.

When **Eligibility Case Managers** need to discuss overissuance situations with Program Integrity, contact Rolene Benson at 444-9361. If an overissuance claim has been sent to Program Integrity (or, in the case of non-Medicaid overissuance, the claim has been entered on the system) and it now needs to be reversed, cancelled or changed, workers should send this information to Rolene via e-mail for audit purposes.

If a call is received concerning possible recipient fraud, refer the caller to 1-800-201-6308.

**Do not give the caller Rolene Benson's or Steve Kranich's direct phone number.**

SR

ΦΦΦ